

REMARKS

Claims 29-36, 45-52 and 54-57 are all the claims pending in the application, where claims 1-28, 37-44 and 53 are withdrawn from consideration, and claims 54-57 are added.

Claims 29-30, 33-34 and 45 are amended merely to more clearly recite the claimed invention. These clarifying amendments are not believed to affect the scope of the claim in any way, and no estoppel is intended.

Claim Rejections under 35 U.S.C. § 102

Claims 29-36 and 45-52 are rejected under 35 U.S.C. § 102(b) as being anticipated by Mandler et al. (U.S. Patent No. 5,732,400; hereinafter “Mandler”). For at least the following reasons, Applicant respectfully traverses the rejection.

Mandler is directed toward “enabling on-line transactional services among sellers and buyers **having no previous relationship with each other**” (abstract; emphasis added). Specifically, Mandler discloses “a financial clearinghouse for receiving a request for goods or services from a buyer and making a real-time determination of a risk classification of the buyer” (abstract). Then, if the transaction is approved, the clearinghouse “transmits a payment amount to the seller and transmits an invoice to the buyer for the purchase price” (abstract). That is, the system of Mandler deals with financing commercial transactions between buyers and sellers, where if the financing is approved then the “clearinghouse” sends the payment to the seller and the invoice to the buyer, and the transaction is completed.

In contrast, the claimed invention is not involved in a commercial transaction. The claimed invention recites a method for financing a trade credit. A trade credit is established only

after a buyer has already purchased and received goods from a supplier, and has also approved an invoice for the goods from the supplier. The claimed invention provides a method for financing such an existing trade credit. That is, an authorization or approval of a debt is not necessary, since the debit is already existing. Additionally, since the trade credit is preexisting, there also exists a previous relationship between the buyer and supplier. Clearly, Mandler fails to teach or suggest a method for financing a trade credit, as claimed.

Furthermore, even if, *arguendo*, Mandler discloses a method for financing a trade credit, Mandler still fails to teach or suggest all the features of the method, as recited in claim 29.

For example, claim 29 recites “receiving from the buyer: an approval of the selected debt and the parties to the trade credit financing transaction, and a postdated irrevocable order to pay the selected debt”. The Examiner refers to the disclosure in Mandler of a “hard authorization” as allegedly corresponding to the claimed buyer approval. Specifically, the Examiner refers to col. 14, lines 15-18 of Mandler which recite that “[the] hard authorization represents the financial clearinghouse’s final authorization for financing the transaction between the buyer 20 and the seller or sellers 10 in the amount of the PO”. However, the “hard authorization” is merely a second confirming authorization provided by the clearinghouse to a broker (col. 9, lines 38-41). Mandler further discloses that “[the] hard authorization, for example, reviews the risk classification and available credit line of the buyer 20 to determine whether the clearinghouse 40 should authorization such a transaction” (col. 9, lines 41-45). Mandler fails to teach or suggest a buyer involved in the “hard authorization”, much less receiving an approval from a buyer of not only a selected debt, but also an approval of the parties to a trade credit financing transaction.

Claim 29 also recites “assigning the buyer’s order to pay to the financial institution and receiving discounted cash in return”. That is, according to the claimed invention, the buyer’s “order to pay” or payment commitment is assigned to a financial institution, in return for cash in a discounted amount. In other words, the financial institution provides the cash in an amount less than the payment commitment of the buyer. Mandler fails to teach or even remotely suggest this claimed feature. Mandler merely discloses that “[the] financial clearinghouse further determines a risk-based discount rate as a function of the buyer’s risk classification to establish a payment amount to a seller” (col. 3, lines 43-47). In other words, the clearinghouse charges the buyer the full amount of the purchase price but keeps a portion of the payment received from the buyer, and provides the remainder of the payment to the seller. The portion kept by the clearinghouse is a function of the risk associated with the buyer (e.g. the higher the risk of the buyer, the greater the portion that is kept). In other words, Mandler merely discloses taking on a risk associated with a buyer’s commitment, instead of a seller, and charging the seller a fee based on the amount of risk. Whatever amount the buyer pays, the clearinghouse keeps a portion. Mandler fails to disclose exchanging the risk (i.e. order to pay) for a discounted amount of cash.

Claim 29 further recites “paying a portion of the received cash to the buyer in an amount of the difference between the cash received from the financial institution and the cash paid to the supplier, less an agreed commission”. The Examiner refers to col. 3, lines 61-65 of Mandler, which recites that “[after] the seller provides a notice of shipment of the goods, the financial clearinghouse transmits the payment amount to the seller, net of the discount, and also transmits an invoice to the buyer for the purchase price of the transaction”. However, the discount

disclosed in this cited portion is no different than the discount of col. 3, lines 43-47 as discussed above. That is, an amount paid to the seller is the amount of the invoice to the buyer minus an amount of the discount. Additionally, the invoice transmitted to the buyer is analogous to a request for payment *from* the buyer. In contrast, the claimed feature recites *paying* the buyer. In other words, for example, the claimed invention may be equivalent to the buyer 20 of Mandler sending an invoice to the clearinghouse 40, and the buyer 20 receiving payment from the clearinghouse 40. Mandler discloses the exact opposite in that the clearinghouse 40 sends an invoice to the buyer 20, and the clearinghouse 40 receives a payment from the buyer 20. Clearly, Mandler fails to teach or suggest at least this claimed feature in addition to the above discussed claimed features.

Accordingly, Applicant respectfully submits that claim 29 is patentable over the applied reference. Additionally, claim 45 recites one or more features analogous to those discussed above with respect to claim 29, and is patentable over the applied reference at least for reasons analogous to those given above with respect to claim 29. Applicant further submits that claims 30-36 are patentable at least by virtue of their dependency on claim 29, and claims 36-52 are patentable at least by virtue of their dependency on claim 45.

New Claims

Applicant adds new claims 54-57, support for which may be found throughout the specification. Applicant respectfully submits that these claims are patentable at least by virtue of their dependency on claim 29, and at least by virtue of the subject matter recited therein.

Specifically, claim 56 recites the method of claims 1 and 54, “wherein the selected debt is a preexisting debt of the buyer to the supplier, in exchange for goods or services from the supplier”. As noted above, Mandler discloses first authorizing the financing of a buyer, and subsequently if the financing is approved, Mandler discloses sending the order invoice to the buyer. In contrast, the claimed invention recites a method for financing a trade credit, wherein the method comprises selecting a debt to finance, and the selected debt being a preexisting debt between a buyer and supplier. Furthermore, Mandler discloses that “[after] the seller 10 accepts the PO, the seller 10 ships the goods to the buyer 20 and transmits a notice of shipment (NOS) to the financial clearinghouse 40” (col. 7, lines 65-67). Then, upon receiving the NOS, the clearinghouse 40 “invoices the buyer 20 for the amount of the PO and creates an account receivable” (col. 8, lines 4-6). The clearinghouse 40 also creates “[at] the same time, an account payable to the seller 10... in the amount of the PO less the risk-based discount fee retained by the financial clearinghouse 40” (col. 8, lines 7-10). That is, the system and method of Mandler create two debts. A first debt of the buyer 20 to the clearinghouse 40, and a second debt of the clearinghouse 40 to the seller 10. Mandler does not teach or suggest at debt of “the buyer to the supplier” as recited in claim 56. Accordingly, Applicant respectfully submits that claim 56 is patentable at least the above-given reasons, in addition to those given above with respect to claim 29.

Conclusion

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the

Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,

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